

**SUBPART 244.3--CONTRACTORS' PURCHASING SYSTEMS REVIEWS**

**244.301 Objective.**

The administrative contracting officer (ACO) is responsible for reviewing the contractor's purchasing systems. Members of other organizations such as audit or program management activities should not conduct separate reviews of a contractor's purchasing system, but may participate in a review conducted for the ACO. These organizations may, if they suspect a problem, recommend that the ACO initiate a special review.

**244.304 Surveillance.**

(b) The ACO, or the purchasing system analyst (PSA) with the concurrence of the ACO, may initiate a special review of specific weaknesses in the contractor's purchasing system. The weaknesses, for example—

(i) May arise because of—

(A) Major changes in the contractor's purchasing policies, procedures, or key personnel; or

(B) Changes in plant workload or type of work.

(ii) May be discovered—

(A) During reviews of subcontracts submitted under advance notification and consent (FAR Subpart 44.2); or

(B) From information provided by Government personnel.

**244.305 Granting, withholding, or withdrawing approval.**

**244.305-70 Granting, withholding, or withdrawing approval.**

Use this subsection instead of FAR 44.305-2(c) and 44.305-3(b).

(a) At the completion of the in-plant portion of the review, the ACO shall hold an exit conference with the contractor. At the conference, the ACO should—

(1) Present the review team's recommendations, signed by the ACO;

(2) Request the contractor submit its plan for correcting deficiencies or making improvements within 15 days; and

(3) Not comment on the pending or planned decision to grant or withhold approval of the contractor's purchasing system.

(b) The PSA should submit the complete report to the ACO, or any department or agency established review board, within ten days after receipt of the contractor's response under paragraph (a)(2) of this subsection.

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(c) The ACO should completely review the report and consider the contractor's response before making a decision on granting, withholding, or withdrawing purchasing system approval. The ACO shall notify the contractor of the decision within ten days after receipt of the report with a copy of the decision to the PSA and the contracting office, when requested.

(d) When a contractor advises that it has corrected deficiencies that led the ACO to withhold or withdraw the purchasing system approval, the ACO—

(1) Shall request the PSA to verify that the contractor has—

(i) Corrected the deficiencies; and

(ii) Implemented any other ACO recommendations.

(2) Should ask for a review of purchasing policies and procedures issued since the last review.